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TAGS: [MARR](#) [MCAP](#) [PARM](#) [PREL](#) [KS](#)  
SUBJECT: YONGSAN RELOCATION: DOMESTIC POLITICS AND THE  
COST OF ALLIANCE TRANSFORMATION

Classified By: AMB. ALEXANDER VERSHBOW. REASONS 1.4 (b/d).

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SUMMARY  
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11. (C) SUMMARY: Unhelpful reports in the South Korean media that completion of the Yongsan Relocation Plan (YRP) will be delayed by another five years to 2013 appear designed to placate objections within the National Assembly to the high projected cost of the project. The reports are misleading in that the completion dates depend on which portions of the transformation -- YRP, or the Land Partnership Plan to relocate the 2nd Infantry Division to a consolidated area in Pyongtaek -- are carried out first. This attempt by the ROKG to renegotiate its YRP and LPP commitments through the media, rather than via appropriate consultations with the USG, is troubling. More troubling still, it appears emphasis on the new completion year of 2013 is intended to support the ROK preference for a later conclusion of the transfer of wartime operational control (OPCON) by 2012. That runs counter to the USG position that the two issues remain separate. The ROKG has urged USFK to agree to release the information contained in the Master Plan as soon as possible, arguing that once the figures are explained to the National Assembly, the project can get underway, but the USG cannot sign up to final cost figures, or completion dates, until the Program Management Consortium has determined what those numbers will be.

12. (C) The Embassy is concerned that domestic politics arising from the 2007 ROK presidential race will only make matters worse, while further delaying the much needed transformation of the Alliance. It appears that completion of the YRP will be determined first and foremost by ROK politics and ROK money, and that both are working against us. South Korean leadership attitudes, coupled with competing budget demands, have caused the ROKG to make this attempt to spread out the cost of relocation, and to force the project into line with its goals for OPCON transfer. To minimize the fallout, we will continue to stress the importance of YRP to the Alliance, U.S. readiness to move out of Seoul as soon as possible, the separation of YRP from the OPCON transfer issue, and the need for continuous consultations and transparent actions throughout the Alliance transformation process. END SUMMARY

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OFFICIAL DENIAL  
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¶3. (C) On December 13, 2006, the South Korean media began reporting that the relocation of Yongsan Garrison, the movement of the main military base for U.S. Forces Korea (USFK) from the center of Seoul to a promised new facility on the western seashore, near the city at Pyongtaek, would be delayed. Yonhap reported that the Yongsan Relocation Plan (YRP) would not be completed by 2008 (the agreed completion year), but would take at least five years longer, resulting in a new estimated completion year of 2013. Those estimates, based on figures from the as yet unreleased Master Plan, are misleading in that the completion dates depend in large part on which portions of Alliance transformation -- YRP, or the Land Partnership Plan to relocate the 2nd Infantry Division to a consolidated area in Pyongtaek -- are carried out first.

¶4. (C) Embassy and USFK sources point to the U.S. bases relocation office within the Ministry of National Defense (MND) as the likely source of the leak. Both MND and the Ministry of Foreign Affairs and Trade (MOFAT) deny the ROK government had anything to do with it. Lee Jeong-kyu, Director of MOFAT's North America III Division, contends that the MND-USFK project management team has known since October that the completion year estimated by the USFK-selected and MND endorsed contractor, Thomas J. Davis, Inc. (TJD), is ¶2013. Director Lee claimed the delay became known to local government officials in the Pyongtaek area during the course of the engineering assessment conducted by TJD, and that the story originated in Pyongtaek. Another possible source would be National Assembly members to whom MND has delivered a preliminary briefing on the Master Plan (MP).

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PUTTING THE CART BEFORE THE HORSE  
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¶5. (C) Whatever the source of the leak, the Embassy believes the move was meant to placate National Assembly members who are objecting to the high projected cost of the project. While a pre-final MP was completed in August, the final plan has yet to be formally presented to the National Assembly. To move the process forward, MOFAT urges USFK and MND agree to release the information contained in the MP as soon as possible. Once MND has explained the MP to the National Assembly, the Program Management Consortium (PMC) can be hired, and the request for proposals (RFP) process can get underway, Lee explained. However, that approach is fundamentally at odds with USFK's desire to first hire the PMC, which would do the work necessary to develop a construction timeline and cost estimate. Importantly, USFK engineers advise, and have repeatedly pointed out to MND, that a realistic completion date cannot, in fact, be determined at this stage in the planning process. The PMC will first need to develop a construction timeline based on assumptions that are yet to be worked out, such as funding levels per year and building priorities (YRP vs. LPP). Given that the draft MP, upon which the leaks are based, relied upon a number of outdated and invalid plan assumptions, it appears the ROK's agenda is to nail the USG down to the lowest possible cost figures and a later completion date.

¶6. (C) Only after a realistic construction schedule is developed can USFK begin to work out the many details regarding the resulting movement of its units. Further time will of course be required to move those units and close out their old camps.

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DOMESTIC POLITICAL OPPOSITION  
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¶7. (C) USFK estimates that the total cost to the ROK for YRP will be \$6-8 billion, a figure that includes the cost of purchasing the land, constructing the needed facilities and

moving the various USFK components into the new buildings. It does not include the ROK portion of the LPP, a shared project that will allow for further consolidation of USFK bases in the ROK. It is expected that the more sizable \$8 billion figure would generate serious opposition in ROK domestic political circles, coming, as it does, in addition to MND's request to the National Assembly to fund its ambitious 2020 Defense Reform Plan, and on top of a new Special Measures Agreement (SMA) that will obligate the ROKG to make modest increases in its share of USFK defense burdensharing costs. Ruling Uri Party members, by and large, favor funding a significant amount of aid to North Korea and a wide variety of South Korean social programs over approving large increases in defense-related expenditures.

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LACK OF LEADERSHIP  
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¶8. (C) While project delays and opposition to the cost of such a major undertaking are to be expected, the apparent lack of commitment on the part of the Roh Administration to fulfill its YRP obligations is troubling. The problem appears to be in part of the ROK's own making, because it had earlier told the National Assembly that the total YRP bill would be only \$5.5 billion. Although the ROK is aware of the much higher cost estimate, a December 6, 2006 letter from Major General Park Kyung-seo, Chief Director of the USFK Relocation Office at MND, to USFK restates the ROK belief that its responsibility will total "approximately \$1 billion for land purchase and \$4.5 billion for the facilities." The difference between that total and the truer cost of \$8 billion will no doubt be difficult for the ministry to explain to their elected officials. Of further concern to us is that attempts by the ROK to renegotiate its commitments through the media, rather than via close consultations with its ally, have become an all too common pattern by the South Korea government in recent years.

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OPCON TRANSFER A SEPARATE ISSUE  
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¶9. (C) While both MOFAT and MND deny it, it appears to many observers that the 2013 date for completion of YRP is intended to buttress the ROK position for completing the transfer of wartime operational control (OPCON) by as late as ¶2012. This runs counter to the clearly articulated USG position that OPCON transfer and Yongsan relocation are separate issues, and should remain so.

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EMBASSY COMMENT  
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¶10. (C) We are concerned that domestic politics arising from the 2007 ROK presidential race will only make matters worse, while further delaying the much needed transformation of this Alliance. Our greatest concern involves the transfer of wartime OPCON to the ROK, and the concurrent lowering of USFK's profile on the Peninsula through the movement of its headquarters out of the center of Seoul to a newly-equipped facility from which it will be better able to carry out its continuing responsibilities in support of this important strategic partnership. We believe that both will result in a healthier U.S.-ROK Alliance.

¶11. (C) Realistically, however, completion of the YRP Master Plan will be determined first and foremost by ROK politics and ROK money, and both are working against us. South Korean leadership attitudes, coupled with competing budget demands, have caused the ROKG to make this attempt to spread out the cost of relocation, and to force the project into line with its goals for OPCON transfer. In response to this show of bad faith by the Roh Administration, the Embassy intends to stress the following points to South Korean officials:

1) Our governments agreed to undertake YRP and LPP because

they are win-win scenarios for the strength and well-being of the Alliance. The United States is ready and willing to move out of Yongsan as soon as possible.

2) Unilateral actions that delay the implementation process without proper consultations, and political attempts to link OPCON transfer to YRP, are a disservice to the Alliance.

3) We understand the complexities, difficulties and costs associated with such a large scale transformation, but it is vital we work through these challenges together, via continuous consultations and transparent actions throughout the implementation process. END COMMENT.

VERSHBOW